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Affiliates
Edward D. Heffernan
Washington, D.C.

Hynes, Johnson & McNamara
Chicago, Illinois

March 29, 2004

Via Facsimile and FedEx

Jeff S. Jordan, Esq.
Supervisory Attorney
Complaints Examination & Legal Administration
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

Re: MUR 5406 - Rosemary Bilecki, Peter Bilecki, Thomas C. Hynes and
the 19th Ward Democratic Organization

Dear Mr. Jordan:

Enclosed please find our response to the Complaint filed in the above-referenced matter. I also enclose an additional Statement of Designation of Counsel indicating that I am counsel for the 19th Ward Democratic Organization, as well as the individuals named above.

If I can be of further assistance or provide you with any further documents, please do not hesitate to contact me.

Very truly yours,

Michael T. Beirne

MTB/em
Enclosures

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Washington, D.C.

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March 29, 2004

Via FedEx and Facsimile

Mr. Jeff S. Jordan
Supervisory Attorney
Complaints Examination & Legal Administration
Federal Election Commission
999 E. Street, NW
Washington, D.C. 20463

Re: MUR 5406

Dear Mr. Jordan:

On behalf of my clients, the 19th Ward Democratic Organization, Thomas C. Hynes, Rosemary Bilecki, and Peter Bilecki, I write in response to your correspondence dated February 10, 2004 regarding the Complaint filed in the above-referenced matter. As demonstrated below and further supported by the attached affidavits of Thomas Hynes, Rosemary Bilecki and Peter Bilecki (attached hereto as Exhibits A, B and C, respectively), the Complaint in this matter speaks solely in conclusions based on unsupported speculation. The Complaint wholly fails to state a cause of action necessitating any further action by the Commission. Consequently, I respectfully submit that the Commission should decline to take any further action regarding this matter.

The Complaint filed by Mr. Jaecks alleges that certain individuals and numerous Illinois state and local political committees, including my clients, engaged in a "money laundering" "scheme" in conjunction with the Hynes for Senate Committee. Specifically, the Complaint alleges that the Hynes for Senate Committee "arranged donations of unrestricted state campaign funds from its allied Illinois state campaign finance committee, Friends of Dan Hynes, to other Illinois state campaign finance committees which funds were later contributed back to the committee through the conduits of the recipient Illinois state campaign finance committees (or their principals)" (*See* Complaint at ¶19.) For the reasons set forth below, these allegations are without merit, and the Commission should take no further action in this matter.

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Mr. Jeff S. Jordan
March 29, 2004
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Paragraph 19 of the Complaint contains allegations that my clients engaged in the so-called "money laundering scheme." In Paragraph 19, Complainant alleges that this purported "scheme" is demonstrated by a \$1,500 contribution on January 1, 2003 from the 19th Ward Democratic Organization ("19th Ward") to Rosemary Bilecki. Complainant implies, without specifically alleging, that the "scheme" was completed by a \$1,500 contribution to Hynes for Senate from Peter Bilecki on March 31, 2003. Similarly, Complainant alleges that this purported "scheme" is further demonstrated by a \$5,000 contribution on January 28, 2003 from Friends of Dan Hynes to the 19th Ward. Complainant again implies, without specifically alleging, that the "scheme" was completed by three separate personal contributions made by Thomas C. Hynes, the committeeman of the 19th Ward Democratic Organization, to Hynes for Senate on February 14, March 27 and June 30, 2003, respectively.

The Complaint fails to demonstrate *any* sufficient facts to support the allegations. Complainant is simply trying to concoct a "scheme" by bunching together committees and people who happen to be, or were at one time, affiliated with the 19th Ward. Nothing in the Complaint, however, supports a reasonable conclusion that these disparate contributions could possibly have been the result of a "scheme" designed to launder money.

Furthermore, the allegations against Rosemary Bilecki and Peter Bilecki are without merit. Rosemary Bilecki is the Committeewoman of the 19th Ward. As set forth in her accompanying affidavit, since 2001, the 19th Ward has compensated Rosemary for her service to the 19th Ward by making regular payments in the amount of \$1,500, approximately every six months. The January 1, 2003 payment to Rosemary Bilecki that Complainant has placed at issue was simply one of these regular payments made to compensate her for her service to the 19th Ward. In fact, that is the exact compensation paid to Rosemary Bilecki by the 19th Ward on January 2, 2001, January 1, 2002 and again on January 4, 2004. That the January 1, 2003 payment could be part of some "scheme" to fund Hynes for Senate is preposterous in light of these facts. Importantly, two of these regular payments were made after the January 1, 2003 payment that Complainant has placed at issue. These payments were made prior to receiving any notice of the Complaint filed by Mr. Jaecks. Accordingly, they could not logically be part of any "cover-up" of any alleged "scheme" on the part of Rosemary Bilecki.

Complainant also seeks to establish a "scheme" based on the familial relationship between Peter and Rosemary Bilecki. Peter Bilecki is Rosemary Bilecki's son. As set forth in Peter's attached affidavit, Peter is a lifelong close, personal friend of Dan Hynes who made a \$1,500 contribution to Hynes for Senate as a result of his personal decision to support Dan Hynes' campaign. Peter made no arrangement with anyone, including his mother, Rosemary Bilecki, to "launder" money as a means to fund Hynes for Senate. As stated in his affidavit, Peter was actively involved in the Hynes for Senate campaign. Peter also is a man of considerable financial means.

It should come as no surprise to anyone that under these circumstances, Peter Bilecki would make a \$1,500 contribution to the Hynes for Senate campaign. Complainant's attempt to link the separate payments to Rosemary Bilecki for her service to the 19th Ward with the single, personal contribution made by her son, Peter Bilecki, is without merit and wholly unsupported by any facts.

The allegations regarding the contributions made by Thomas Hynes are particularly egregious. As set forth in his attached affidavit, Thomas Hynes is Dan Hynes' father. He has faithfully served the 19th Ward as Committeeman since 1975, and, as set forth in his affidavit, has not received any compensation for his many years of service. The Complaint makes no showing and does not specifically allege that Thomas Hynes received any payments from the 19th Ward. Indeed, the opposite is true. For at least the last five years, Thomas Hynes has personally contributed \$1000 on a semiannual basis to the 19th Ward. Finally, Thomas Hynes personally made contributions to Hynes for Senate as a result of his own independent decision to support *his son's* campaign. Each of these contributions were consistent with applicable campaign finance laws. The allegations that any of these contributions were made as part of some "scheme" to "launder money" are ludicrous given the consistent, ongoing relationship between Thomas Hynes and the 19th Ward, and given Thomas Hynes' personal relationship with his son, Dan Hynes.

The second allegation in the Complaint is that a variety of local party committees and state political organizations, including the 19th Ward, each contributed \$1,000 to the Campaign, and in so doing routed contributions from prohibited sources to the Campaign. However, as the submissions and affidavits of each of those organizations demonstrates, their actions were completely legal and in full compliance with the Act and the Commission's regulations.

Commission regulations and advisory opinions clearly and explicitly allow local party committees and political organizations organized under state law to contribute up to \$1,000 to federal candidates in a year. *See, e.g.*, 11 C.F.R. §§ 102.5(b)(1), 102.5(b)(2); 1999 Op. Fed. Election Comm'n 4 (1999) ("A.O. 1999-4"). The only requirement is that the party committee or political organization must "ha[ve] received sufficient funds subject to the limitations and prohibitions of the Act to make such a disbursement." A.O. 1999-4. *See also* 11 C.F.R. §§ 102.5(b)(1), 102.5(b)(2). As the affidavits attached hereto and submitted by the other respondents demonstrate, each of these contributors in fact did have sufficient funds subject to the limitations and prohibitions of the Act to make such a disbursement. Accordingly, this was not, as Complainant alleges, an effort to contribute funds whose ultimate source was "corporations, unions, foreign nationals, federal government contractors and contributors who have already reached federal contribution limits." Indeed, the Complainant offers no evidence whatsoever that any of these contributions originated from a source prohibited from the Act. On the contrary, the uncontroverted evidence clearly shows that the contributions were entirely legal. Therefore, it is abundantly clear that no further action on this matter is appropriate.

Mr. Jeff S. Jordan
March 29, 2004
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Finally, the Commission should dismiss the Complaint as its filing was a politically motivated abuse of process. The contributions and compensation payments that Complainant calls into question occurred between one year and 15 months ago. However, Complainant, a veteran of this process with close ties to one of Dan Hynes' primary competitors, filed this Complaint just six weeks prior to the primary election. This was nothing more than an attempt to attract the attention of the media and to derail the Hynes for Senate campaign. The affidavits attached hereto establish that with even a cursory investigation, the inferences and conclusions set forth in the Complaint are baseless. Consequently, Complainant's spurious allegations should not be countenanced by the Commission and the Complaint should be dismissed without further action. Accordingly, I respectfully request that the Commission take no further action in this matter against the 19th Ward Democratic Organization, Thomas Hynes, Rosemary Bilecki, and Peter Bilecki.

If you require any additional information, please feel free to contact me.

Very truly yours,

Michael T. Beirne

MTB/
Enclosures

25044110593

BEFORE THE FEDERAL ELECTION COMMISSION

GERALD L. JAECKS,)
)
Complainant,)
)
vs.) MUR 5406
)
DANIEL W. HYNES, HYNES FOR SENATE,)
19th WARD DEMOCRATIC ORGANIZATION,)
THOMAS C. HYNES, ROSEMARY BILECKI,)
PETER BILECKI, 43rd WARD DEMOCRATIC)
PARTY, PEGGY A. ROTH, CHARLES R.)
BERNARDINI, FRIENDS OF VI DALEY,)
THOMAS S. MOORE, VI DALEY, FRIENDS)
OF DAN HYNES, JOHN SHERIDAN,)
MADISON COUNTY DEMOCRAT CENTRAL)
COMMITTEE, MAC WARFIELD, SANGAMON)
COUNTY DEMOCRATIC CENTRAL)
COMMITTEE, PATRICK T. TIMONEY,)
DONALD E. STEPHENS and DONALD)
E. STEPHENS,)
)
Respondents.)

AFFIDAVIT OF THOMAS C. HYNES

I, Thomas C. Hynes, certify that I have personal knowledge of the matters contained in my affidavit, that they are true and accurate, and that I could competently testify thereto if called as a witness at trial:

1. I am familiar with the allegations asserted in Case MUR 5406.
2. Daniel W. Hynes is my son. I contributed a total of \$12,000 to the Hynes for Senate campaign for the primary election and \$2,000 to the Hynes for Senate campaign for the general election. These contributions came solely from my own personal funds as a result of my own personal decision to support my son's campaign.
3. I am the Committeeman of the 19th Ward Democratic Organization ("19th Ward

Organization”), a local party committee, and have been elected to that position by the Democratic voters of the 19th Ward of Chicago, Illinois.

4. I have been the Committeeman of the 19th Ward since 1975 and during that time have received no compensation from the 19th Ward, nor did the 19th Ward pay me any money at any time for the purpose of passing it on to Hynes for Senate.

5. In addition to the fact that I have not received any compensation from the 19th Ward, I personally contribute to the 19th Ward Organization on a regular basis. On average, I contribute \$1,000 approximately once every six months. Specifically, over the last four years, I have contributed to the 19th Ward Organization as follows:

Year	Specific Date	Amount
2000	6/16/00	\$1000
2000	9/19/00	\$1000
2001	6/21/01	\$1000
2002	4/19/02	\$1000
2002	7/16/02	\$1000
2003	5/1/03	\$1000
2003	11/10/03	\$1000
2004		-0-

As summarized above, since June 2000, I have personally contributed \$7,000 to the 19th Ward Organization.

6. The 19th Ward Organization contributed \$1,000 to Hynes for Senate Exploratory Committee, a federal authorized committee, on or about March 31, 2003. The 19th Ward Democratic Organization did not contribute any other funds to any federal candidate in 2003.

7. At the time of that contribution, the 19th Ward Organization had received sufficient funds subject to the limitations and prohibitions of the Federal Election Campaign Act and the requirements of 11 C.F.R. § 300.31 to make such a contribution, as required by 11 C.F.R. § 102.5(b)(2)(ii).

8. Rosemary Bilecki is the committeewoman of the 19th Ward. Rosemary Bilecki provides various professional services for the 19th Ward Organization, including clerical and community outreach functions. In return for these valuable services, the 19th Ward Organization compensates Rosemary Bilecki. Specifically, the 19th Ward Organization has, over the last four years, made the following payments to Rosemary Bilecki:

Year	Specific Date	Amount
2001	1/02/01	\$1500
2001	6/20/01	\$1500
2001	8/30/01	\$1500
2002	1/01/02	\$1500
2002	7/01/02	\$1500
2003	1/01/03	\$1500
2003	7/01/03	\$1500
2004	1/4/04	\$1500

9. The January 1, 2003 payment from the 19th Ward Organization to Rosemary Bilecki was one of these regular payments made in consideration for her professional services to the 19th Ward Organization. It was made without any expectation, communicated or otherwise, that she, Peter Bilecki, or anyone else would contribute to Hynes for Senate.

FURTHER AFFIANT SAYETH NOT.

Dated this 29th day of March, 2004.


THOMAS C. HYNES

SWORN and SUBSCRIBED to before

me this 29th day of March, 2004.


NOTARY PUBLIC



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BEFORE THE FEDERAL ELECTION COMMISSION

GERALD L. JAECKS,

Complainant,

vs.

MUR 5406

DANIEL W. HYNES, HYNES FOR SENATE,
19th WARD DEMOCRATIC ORGANIZATION,
THOMAS C. HYNES, ROSEMARY BILECKI,
PETER BILECKI, 43rd WARD DEMOCRATIC
PARTY, PEGGY A. ROTH, CHARLES R.
BERNARDINI, FRIENDS OF VI DALEY,
THOMAS S. MOORE, VI DALEY, FRIENDS
OF DAN HYNES, JOHN SHERIDAN,
MADISON COUNTY DEMOCRAT CENTRAL
COMMITTEE, MAC WARFIELD, SANGAMON
COUNTY DEMOCRATIC CENTRAL
COMMITTEE, PATRICK T. TIMONEY,
DONALD E. STEPHENS and DONALD
E. STEPHENS,

Respondents.

AFFIDAVIT OF ROSEMARY BILECKI

I, Rosemary Bilecki, certify that I have personal knowledge of the matters contained in my affidavit, that they are true and accurate, and that I could competently testify thereto if called as a witness at trial:

1. I am familiar with the allegations asserted in Case MUR 5406.
2. I am the Committeewoman of the 19th Ward Democratic Organization ("19th Ward Organization"), a local party committee.
3. As the Committeewoman of the 19th Ward, I provide various professional services for the 19th Ward Organization, including clerical and community outreach functions. In return for

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these valuable services, the 19th Ward Organization compensates me. Specifically, the 19th Ward Organization has, over the last three years, made the following payments to me:

Year	Specific Date	Amount
2001	1/02/01	\$1500
2001	6/20/01	\$1500
2001	8/30/01	\$1500
2002	1/01/02	\$1500
2002	7/01/02	\$1500
2003	1/01/03	\$1500
2003	7/01/03	\$1500
2004	1/4/04	\$1500

4. The January 1, 2003 payment from the 19th Ward Organization to me was one of these regular payments made in consideration for my professional services to the 19th Ward Organization. It was made without any expectation, communicated or otherwise, that I, Peter Bilecki, or anyone else would contribute to Hynes for Senate.

5. I have never requested that Peter Bilecki make any contributions to Hynes for Senate and no contributions made by Peter Bilecki to Hynes for Senate came from me.

FURTHER AFFIANT SAYETH NOT.

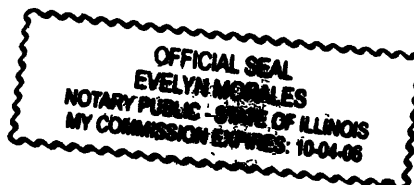
Dated this 29th day of March, 2004.

Rosemary Bilecki
ROSEMARY BILECKI

SWORN and SUBSCRIBED to before

me this 29th day of March, 2004.

Evelyn Morales
NOTARY PUBLIC



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BEFORE THE FEDERAL ELECTION COMMISSION

GERALD L. JAECKS,

Complainant,

vs.

DANIEL W. HYNES, HYNES FOR SENATE,
19th WARD DEMOCRATIC ORGANIZATION,
THOMAS C. HYNES, ROSEMARY BILECKI,
PETER BILECKI, 43rd WARD DEMOCRATIC PARTY,
PEGGY A. ROTH, CHARLES R. BERNARDINI,
FRIENDS OF VI DALEY, THOMAS S. MOORE,
VI DALEY, FRIENDS OF DAN HYNES,
JOHN SHERIDAN, MADISON COUNTY DEMOCRAT
CENTRAL COMMITTEE, MAC WARFIELD,
SANGAMON COUNTY DEMOCRATIC CENTRAL
COMMITTEE, PATRICK T. TIMONEY, DONALD E.
STEPHENS COMMITTEEMAN'S FUND, BRADLEY
STEPHENS AND DONALD E. STEPHENS,

Respondents.

MUR 5406

AFFIDAVIT OF PETER BILECKI

I, Peter Bilecki, certify that I have personal knowledge of the matters contained in my affidavit, that they are true and accurate, and that I could competently testify thereto if called as a witness at trial:

1. I am a resident of Chicago, Illinois.
2. I have been employed as a Director for Deutsche Bank in Chicago, Illinois for approximately eight months. Prior to this, I was employed by Morgan Stanley and J.P. Morgan as a Vice President for a total of eight years. In all, I have been working in the investment banking

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industry for nine years. I recently signed a contract extension as a Director with Deutsche Bank and I have substantial financial means.

3. I consider Dan Hynes to be one of my closest friends. I grew up across the street from Dan and have known him since we were very young children.

4. I am familiar with the allegations asserted in Case MUR 5406.

5. In support of the Hynes for Senate campaign, I sat on committees for Hynes for Senate and hosted fundraisers in support of Hynes for Senate. I volunteered an estimated 100-150 hours to the Hynes for Senate campaign in the last two months alone.

6. On March 31, 2003, I donated \$1,500.00 to Hynes for Senate.

7. The contribution I made on March 31, 2003 was a single donation that came from my own personal funds, and was a result of my own personal decision to support the Hynes for Senate campaign.

8. The contribution was not part of an agreement with any individual or political committee, but was part of my own independent decision to support Hynes for Senate.

9. I have never received any money from any political committee or individual as part of an agreement to make contributions to Hynes for Senate or any other campaign committee related to Daniel Hynes' campaign for the United States Senate.

10. I have never received any money from Rosemary Bilecki as part of an agreement to make contributions to Hynes for Senate. Further, Rosemary Bilecki has never requested that I make any contributions to Hynes for Senate.

FURTHER AFFIANT SAYETH NOT.

Dated this 29th day of March, 2004.



PETER BILECKI

Subscribed and sworn to before me
this 29th day of March, 2004.


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STATEMENT OF DESIGNATION OF COUNSEL

Please use one form for each respondent.

MUR 5406

NAME OF COUNSEL: Michael T. Beirne

FIRM: Quinlan & Carroll, Ltd.

ADDRESS: 30 North LaSalle Street, Suite 2900

Chicago, IL 60602

TELEPHONE: (312) 917-8453

FAX: (312) 263-5013

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COMMISSION
OFFICE OF GENERAL
COUNSEL

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The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Thomas C. Hynes

19th Ward Democratic Organization

Print Name

3.29.04

Date

Thomas C. Hynes

Signature

Committeeman

Title

RESPONDENT'S NAME: 19th Ward Democratic Organization

ADDRESS: 10444 S. Western Ave.

Chicago, IL 60643

TELEPHONE: HOME()

BUSINESS(312) 917.8830

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